

STATE TRANSPORTATION PRESERVATION ACT OF 1976 (EXCERPT)
Act 295 of 1976

474.60e Divestiture of segment; proposals; scoring mechanism; contents of proposal; availability of information to bidder.

Sec. 10e. (1) For each segment to be divested, the bureau shall develop a scoring mechanism with which to evaluate proposals submitted by prospective bidders.

(2) The bureau shall solicit proposals from bidders. The proposals shall, at a minimum, include all of the following items and information:

(a) Proof of sufficient financial ability to lease, operate, and provide adequate maintenance on the segment.

(b) A detailed 10-year plan for operation of the segment, including any specific portions the bidder proposes to abandon or otherwise cease to operate.

(c) The anticipated effect the change would have on shippers on the segment and employees of the current contract operators on the segment and information on steps the bidder would take to achieve a smooth transition and minimize disruption.

(d) A strategic plan setting forth the bidder's understanding of the business environment of the segment and the proposed approach to maintaining existing traffic and capturing additional business.

(e) A capital program plan setting forth the bidder's 10-year investment program for maintaining or improving the condition of the infrastructure of the segment.

(f) Ten-year financial projections for the bidder's proposed operation of the segment, including projected income statement, balance sheet, and cash flow statement.

(g) A proposal guaranty in the form of a certified check or surety bond for an amount equal to 10% of the net liquidation value as determined by the department for purchase of the segment.

(h) In a sealed envelope, detailed documentation of the availability of the remainder of the consideration in cash and in any other noncash compensation offered by the bidder for the segment.

(i) Other information as required by the terms of the solicitation for proposals.

(3) Before the due date for the proposals, the bureau may make available to each bidder any publicly available information in the bureau's possession concerning traffic on the segment and the condition of the infrastructure of the segment. The bidder has the primary responsibility for obtaining pertinent information on which to base a bid. The department is not responsible for assuring that all available information is provided.

History: Add. 1998, Act 235, Imd. Eff. July 3, 1998.